Chapter 77

Reconciling Social Media with Luxury Fashion Brands: An Exploratory Study

Wilson Ozuem
University of Gloucestershire, UK

Kerri Tan
University of Wales, UK

ABSTRACT

Modern developments in communication media are creating new networks of information diffusion which are profoundly altering the way in which people can construct shared ‘realities’. Internet along with its prototypical subsets, notably social media, is enabling the emergence of new mechanism of human association which are shaped by – yet also shape – the development of this new medium of communication. This chapter integrates social media theory and luxury fashion brand theory arguments to examine the knowledge benefits that this cultural transformation provides to the development of a marketing communications programme. The authors argue that the key to providing an effective marketing communication programme is understanding and responding to customer expectations through the integration of social media platforms and traditional marketing communications media.

INTRODUCTION

The advancement of social media over the past decade has changed the way people search for and share product information. The amount of information available on the Internet has increased tremendously since and the dynamics of social media enables consumers to have more control over the information they seek and how they view it (Booth & Matic, 2011; Campbell et al., 2011; Mirchevska & Markova, 2011). In previous times, marketers relied heavily on traditional media such as advertising to convey information about products and they could only measure the success of campaigns through sales. Today, the brands can directly communicate with their consumers in real time through various social media platforms to promote products and at the same time they can evaluate and improve the effectiveness of their marketing strategies more efficiently as consumers actively provide feedback (Ozuem, Howell, & Lancaster, 2008).

DOI: 10.4018/978-1-4666-6114-1.ch077
Reconciling Social Media with Luxury Fashion Brands

Social media is fast becoming the most effective approach to boost brand awareness, understand their customers, receive feedback, as well as direct traffic to a company’s web site (Mirchevska & Markova 2011, p.231).

This chapter seeks to examine the impact of social media on brand perceptions in the UK Luxury sector. An increasing number of people; young and old alike, are spending significant amounts of time surfing the Internet. Facebook is today’s most dominant social-networking site with more than a billion monthly active users as of December 2012 (Facebook, 2013) Individuals log on to social networking sites to interact with others and to share images, locations, and other details about their daily life. Now, they are also using such platforms to share and discover information about brands. More often than not, human beings seek to socialise and to fit in and feel accepted within social circles. Accordingly, they allow themselves to be influenced by people around them ranging from family, friends, colleagues and others, and these are the people who assist them in moulding their perceptions of brands. These people are known as reference groups. Commonly defined as a conversation between a communicator and a receiver in terms of brands, products, or services, Word-of-mouth (WOM) is a diverse and complex phenomenon (Alon & Brunel, 2006; Harrison-Walker, 2001; Arndt, 1967). WOM is how reference groups impact on each other. Keller and Fay (2012) suggest that WOM advocacy is a new key to advertising effectiveness. Research they conducted in 2009 indicates that 20% of WOM discussions refer to paid advertising in media.

When compared with other WOM discussions about products or services, such “advertising-influenced” conversations are significantly more likely to involve recommendations to buy or try a brand when compared with other WOM discussions about brands (Keller & Fay 2012, p.462).

WOM is considered to be one of the most credible sources of information (Prendergast et al., 2010) because consumers put their reputations at risk each time they make a recommendation. Traditionally, WOM has been limited to a close network of people within a geographical area who are brought together by a common interest. Now, with the help of social media, WOM can easily be disseminated to a far larger audience regardless of geographical and physical boundaries (Kim et al., 2008; Schlosser, 2003). The marketing of luxury goods differs greatly from many other industries because of its natural characteristics (Atwal & Williams, 2009). As Okonkwo (2009) states, the five senses are vital to the sale of luxury goods and the sector depends on traditional marketing methods. In other words, utilising the Internet alone is not an ideal strategy for marketing luxury goods but research claims that it can compliment traditional marketing methods. Over recent years, there has been an increase in numerous luxury brands establishing their existence on social media sites (Chanel and Prada are examples). Companies that wish to share the latest updates on products and other information have created Facebook pages dedicated to their brands in order to reach out to a wider market. However, many were slow or unsuccessful in establishing their web presence because although many luxury brand marketers are active in the posting of pictures of their latest products and services on their Facebook page, they are not confident when it comes to engaging with their consumers and this is key to an effective social media marketing strategy. Many marketing professionals within the luxury sector are unsure in terms of how to use social media as a marketing platform to its fullest potential given the fact that it is a fairly young medium. It is apparent though that social media sites have become popular avenues for brands to reach out to consumers. Social media is not just about the setting up of a Facebook page and inserting some pictures in it. It has to entail more than that. The marketer needs to communicate with consumers